

Introduction of this Bill would add significantly to the cost and complexity of our Australian manufacturing operations and we do not support its passage.

For the further information of the Committee please find attached to this submission a copy of Arnott's Position Statement on Palm Oil.

If you require any more information about any of the concerns I've raised above, please do not hesitate to contact me.

Yours sincerely

Jacqueline Chow
General Manager



Arnett's committed to sustainable palm oil

While Arnett's Australia New Zealand (ANZ) uses only a small amount (less than 0.05%) of the total 40 million metric tonnes¹ of palm oil produced annually, we are committed to playing our part by sourcing sustainable palm oil that avoids deforestation.

Arnett's ANZ believes the most effective way to do this is to:

1. Reduce overall usage of palm oil

In 2010, Arnett's ANZ decreased its palm oil usage by approximately 25 percent by replacing palm oil with alternative oils across a number of products. The Company will remain committed to identifying opportunities to further reduce usage of palm oil on an ongoing basis.

2. Source certified sustainable palm oil

Working closely with its palm oil supplier, who is an active member of the Roundtable on Sustainable Palm Oil (RSPO), Arnett's ANZ is targeting the use of 100% certified sustainable palm oil, if available, by 2015. Commencing 2011, the Company will take a gradual approach to achieving this target, shifting around 20% of its supply² each year, if available, to certified sustainable palm oil.

(ends)

1. RSPO & Palm Oil presentation, July 2009

2. Arnett's supply of palm oil is currently sourced from peninsular Malaysia only, from land which has been used to produce palm oil or other agriculture crops for decades. The Malaysian government has committed to maintaining 50% of its natural forests.